



Denali Commission

3300-01-m

Denali Commission Fiscal Year 2016 Draft Work Plan

Agency: Denali Commission.

Action: Notice

Summary: The Denali Commission (Commission) is an independent federal agency based on an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development and training in Alaska by delivering federal services in the most cost-effective manner possible. The Commission was created in 1998 with passage of the October 21, 1998 Denali Commission Act (Act) (Title III of Public Law 105-277, 42 USC 3121). The Act requires that the Commission develop proposed work plans for future spending and that the annual Work Plan be published in the Federal Register, providing an opportunity for a 30-day period of public review and written comment. This Federal Register notice serves to announce the 30-day opportunity for public comment on the Denali Commission Draft Work Plan for Federal Fiscal Year 2016 (FY 2016).

Dates: Comments and related material to be received by May 25, 2016.

Address: Submit comments to the Denali Commission, Attention: Sabrina Cabana, 510 L Street, Suite 410, Anchorage, AK 99501.

For Further Information Contact: Ms. Sabrina Cabana, Denali Commission, 510 L Street, Suite 410, Anchorage, AK 99501. Telephone: (907) 271-1414. Email: scabana@denali.gov

Background: The Denali Commission's mission is to partner with tribal, federal, state,

and local governments and collaborate with all Alaskans to improve the effectiveness and efficiency of government services, to build and ensure the operation and maintenance of Alaska's basic infrastructure, and to develop a well-trained labor force employed in a diversified and sustainable economy.

By creating the Commission, Congress mandated that all parties involved partner together to find new and innovative solutions to the unique infrastructure and economic development challenges in America's most remote communities. Consistent with its statutory mission, in September of 2015 President Obama designated the Denali Commission as the lead federal agency for coordinating federal efforts to mitigate the impacts of erosion, flooding and permafrost degradation in rural Alaska. The primary goal is to build climate resilience with respect to infrastructure in environmentally threatened communities.

Pursuant to the Act, the Commission determines its own basic operating principles and funding criteria on an annual federal fiscal year (October 1 to September 30) basis. The Commission outlines these priorities and funding recommendations in an annual Work Plan. The FY 2016 Work Plan was developed in the following manner.

- A workgroup comprised of Denali Commissioners and Denali Commission staff developed a preliminary draft Work Plan.
- The preliminary draft Work Plan was published on www.denali.gov for review by the public in advance of public testimony.
- A public hearing was held to record public comments and recommendations on the preliminary draft Work Plan.

- Written comments on the preliminary draft Work Plan were accepted for another two weeks after the public hearing.
- All public hearing comments and written comments were provided to Commissioners for their review and consideration.
- Commissioners discussed the preliminary draft Work Plan in a public meeting and then voted on the Work Plan during the meeting.
- The Commissioners forwarded their recommended Work Plan to the Federal Co-Chair, who then prepared the draft Work Plan for publication in the *Federal Register* providing a 30-day period for public review and written comment. During this time, the draft Work Plan will also be disseminated to Commission program partners including, but not limited to, the Bureau of Indian Affairs (BIA), the Economic Development Administration (EDA), Department of Agriculture – Rural Utilities Service (USDA/RUS), and the State of Alaska.
- At the conclusion of the Federal Register Public comment period Commission staff provides the Federal Co-Chair with a summary of public comments and recommendations, if any, on the draft Work Plan.
- If no revisions are made to the draft, the Federal Co-Chair provides notice of approval of the Work Plan to the Commissioners, and forwards the Work Plan to the Secretary of Commerce for approval; or, if there are revisions the Federal Co-Chair provides notice of modifications to the Commissioners for their consideration and approval, and upon receipt of approval from Commissioners, forwards the Work Plan to the Secretary of Commerce for approval.
- The Secretary of Commerce approves the Work Plan.

- The Federal Co-Chair then approves grants and contracts based upon the approved Work Plan.

FY 2016 Appropriations Summary

The Commission has historically received federal funding from several sources.

These fund sources are governed by the following general principles:

- In FY 2016 no project specific direction was provided by Congress.
- The Energy and Water Appropriation (i.e. “discretionary” or “base” funding) is eligible for use in all programs.
- Certain appropriations are restricted in their usage. Where restrictions apply, the funds may be used only for specific program purposes.
- Final appropriation funds received may be reduced due to Congressional action, rescissions by the Office of Management and Budget, and other federal agency action.
- All Energy and Water Appropriation and Trans-Alaska Pipeline Liability (TAPL) funds, including operating funds, identified in the Work Plan, are “up to” amounts, and may be reassigned to other programs included in the current year work plan, if they are not fully expended in a program component area or a specific project.

| Denali Commission FY 2016 Funding Summary | |
|--|---|
| <u>Source</u> | <u>Available for Program Activities</u> |
| Energy & Water Funds | |
| FY 2016 Appropriations | \$8,000,000 |
| Prior Year Funds and Anticipated Recoveries | \$2,000,000 |

| | |
|---|---------------------|
| Subtotal | \$10,000,000 |
| TAPL Funds | |
| FY 2016 Annual Allocation | \$11,500,000 |
| Prior Year Allocation | |
| Prior Year Funds and Anticipated Recoveries | \$1,000,000 |
| Subtotal | \$12,500,000 |
| Grand Total | \$22,500,000 |

| Denali Commission FY 2016 Work Plan | | | |
|--|---------------------------------|---------------------|---------------------|
| <i>Program and Type of Investment</i> | <i>Energy & Water Funds</i> | <i>TAPL Funds</i> | <i>Total</i> |
| Energy | | | |
| New Rural Power System Upgrade (RPSU) Projects | \$2,800,000 | | \$2,800,000 |
| RPSU Maintenance & Improvements | \$500,000 | | \$500,000 |
| Audits, Technical Assistance, & Community Energy Efficiency Projects | \$500,000 | | \$500,000 |
| New & Refurbishment Bulk Fuel Projects | | \$3,400,000* | \$3,400,000 |
| Bulk Fuel Maintenance & Improvements | | \$1,000,000 | \$1,000,000 |
| Bulk Fuel Operations & Maintenance Practices | \$200,000 | \$250,000 | \$450,000 |
| Subtotal | \$4,000,000 | \$4,650,000 | \$8,650,000 |
| Transportation | | | |
| Barge Landings & Mooring Points | | \$7,200,000 | \$7,200,000 |
| Subtotal | \$0 | \$7,200,000 | \$7,200,000 |
| Environmentally Threatened Communities | | | |
| Mertarvik | \$2,870,000 | \$150,000 | \$3,020,000 |
| Shaktoolik | \$520,000 | \$500,000 | \$1,020,000 |
| Shishmaref | \$520,000 | | \$520,000 |
| Kivalina | \$520,000 | | \$520,000 |
| Other Communities in GAO Report 09-551 | \$490,000 | | \$490,000 |
| Statewide Activities/Support | \$1,080,000 | | \$1,080,000 |
| Subtotal | \$6,000,000** | \$650,000 | \$6,650,000 |
| Grand Total | \$10,000,000 | \$12,500,000 | \$22,500,000 |

* \$1M from prior year funds and anticipated recoveries directed to the AEA Kipnuk Bulk Fuel Project

** \$2M from prior year funds, \$1,080,000 of which is for Statewide Activities/Support

Environmentally Threatened Communities Program - Draft FY 2016 Investment Plan

In order to fulfill its role as lead federal coordinating agency the Denali Commission staff, in consultation with State, Federal, and other partners, and the referenced

communities in particular, proposes the following investments in support of the new Environmentally Threatened Communities (ETC) Program. United States Government Accountability Office (GAO) Report 09-551 (<http://www.gao.gov/products/GAO-09-551>) was instrumental in charting prospective Commission investments.

Mertarvik

The community of Newtok has initiated its relocation to Mertarvik and has started building infrastructure at Mertarvik. The Commission funds summarized above plus \$475,000 of USDA/RUS funds that the Commission has in hand, will be used to supplement approximately \$4.8M from existing State of Alaska Legislative grants and re-appropriations, \$4.0M from the BIA Tribal Transportation Program, and \$3.5M of disaster relief funding from the Federal Emergency Management Agency (FEMA) and the State of Alaska. The Commission and USDA funds will be used for the following activities:

- Preparation of Programmatic Environmental Documentation for the overall relocation effort that will allow other Federal agencies to adopt the document for their investments.
- Development of a final Site Plan and Official Plat that is consistent with ultimate utility development, road construction and community development.
- Geotechnical investigation to supplement existing information will allow efficient design of roads, building foundations, and other infrastructure.
- Development of the Borrow Site (quarry).
- Support for the existing Community Relocation Coordinator, Project Management Services, preparation of Emergency Response Plans, and conducting Emergency Response Drills.

- Design of a Bulk Fuel Storage Facility.
- Preliminary design of community power, water, sewer and solid waste facilities.
- Match/gap funds for other related activities identified by the Community.

Shaktoolik

The community of Shaktoolik has decided to protect the community in place for now.

The Commission funds summarized above will be used for the following activities:

- Support for the existing Community Relocation Coordinator, preparation of Emergency Response Plans, and conducting Emergency Response Drills.
- “Soft Erosion” protection measures.
- Design of a consolidated fuel storage facility above the 100-year flood level.
- Match/gap funds for other related activities identified by the Community.

Shishmaref

Shishmaref is considering relocation but has not yet selected a new site. The

Commission funds summarized above will be used for the following activities:

- Support for the existing Community Relocation Coordinator, preparation of Emergency Response Plans, and conducting Emergency Response Drills.
- Local match for existing US Army Corps of Engineers (USACE) funds for a site specific 100-year Flood Analysis.
- Local match for existing USACE funds to design Phases 3 and 4 of an armor rock revetment to protect the island.
- Match/gap funds for other related activities identified by the Community.

Kivalina

Kivalina is considering relocation and has selected a site for a new school. The Commission funds summarized above will be used for the following activities:

- Support for the existing Community Relocation Coordinator, preparation of Emergency Response Plans, and conducting Emergency Response Drills.
- Local match for existing USACE funds for a site specific 100-year Flood Analysis.
- Local match for existing USACE funds to design an armor rock revetment to protect the lagoon side of the island.
- Match/gap funds for other related activities identified by the Community.

Other Communities in the 2009 GAO Report

The Commission funds summarized above will be used for the following activities in support of protect in place projects for the 27 other communities in GAO Report 09-551:

- Develop and/or update FEMA Hazard Mitigation Plans and Emergency Operation/Response Plans.
- Develop site specific project design, budget and schedules for two projects based on existing FEMA approved Hazard Mitigation Plans.

Statewide

It is well known that there are other communities in rural Alaska not mentioned in the 2009 GAO Report that have infrastructure threatened due to erosion, flooding and permafrost degradation. The Commission intends to make \$1,080,000 of prior year discretionary funding available for a statewide Disaster Response Fund that can be used

to respond quickly, or to provide matching funds to compliment other funders for ETC disaster response and recovery, and other statewide initiatives such as the following.

- Develop a general Community Prioritization Methodology based on the threats due to erosion, flooding and permafrost degradation. This tool will be used to expand the 2009 GAO list, and by other funding agencies to allocate future resources.
- Support for the State of Alaska Immediate Action Working Group (IAWG).
- Support for two full time employees at a Grant Writing Center of Excellence that will focus on developing grant proposals for ETC protect in place projects.

However, a final decision has not yet been made on the level of funding for disaster response/recovery verses the other potential statewide initiatives.

Statement Regarding FY 2017 Work Plan

The Federal Co-Chair and staff anticipate that the Commission's investments in FY 2017 will focus on the Energy and ETC Programs, with at least \$5M for ETC. Current ideas for FY 2017 ETC initiatives and activities are summarized below. Of course, the agency will need to vet the proposed investments with each community in question, the State of Alaska, and the Commissioners.

1. Mertarvik community development.
2. Conceptual design and other pre-construction activities for a prototype emergency shelter facility that could be site adapted for construction in Shishmaref, Kivalina and Shaktoolik.
3. Mertarvik, Shishmaref, Kivalina, and Shaktoolik match/gap funding.
4. Pre-construction activities for protect in place projects for the 31 communities identified in GAO Report 09-550.

5. Statewide ETC investments.

Joel Neimeyer
Federal Co-Chair

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